

TRANSFER OF NAVAL VESSELS AND EQUIPMENT

*Agreement, with schedule and exchange of notes, signed at Nanking
December 8, 1947*

Entered into force December 8, 1947

*Expired July 16, 1951*¹

61 Stat. 3618; Treaties and Other
International Acts Series 1691

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF
AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF CHINA CONCERN-
ING THE TRANSFER OF NAVAL VESSELS AND EQUIPMENT PURSUANT
TO UNITED STATES PUBLIC LAW 512 79TH CONGRESS OF THE UNITED
STATES OF AMERICA

WHEREAS, the Act of July 16, 1946, United States Public Law 512, 79th Congress, 2nd Session, authorizes, at the request of the Government of the Republic of China, the transfer thereto of Naval vessels and craft not to exceed 271 in number, which are in excess of the Naval needs of the Government of the United States, including floating drydocks of capacity sufficient to accommodate any vessel or craft disposed of under authority of the Act, material necessary for the operation and maintenance of such vessels and craft and for the training of the crews of such vessels and craft and the furnishing of other naval assistance, by sale, exchange, lease, gift or transfer for cash, credit or other property, with or without warranty or upon such other terms and conditions as the President may deem proper; and,

WHEREAS, the Government of the Republic of China has requested the Government of the United States of America to transfer to it certain specified Naval vessels, craft and floating drydocks and to furnish it certain technical advice and assistance in connection with the organization and maintenance by it of a Naval establishment;

NOW THEN,

IT IS HEREBY MUTUALLY AGREED AS FOLLOWS:

ARTICLE 1. The Government of the United States of America will cause to be transferred to the Government of the Republic of China those

¹ Upon expiration of Public Law 512, 79th Cong., 2d sess. (60 Stat. 539).

certain Naval vessels, craft and floating drydocks described on Schedule "A" annexed hereto and made a part hereof.

ARTICLE 2. Title to all vessels and floating drydocks transferred pursuant to the provisions of Article 1 hereof shall vest in the Government of the Republic of China at the time of delivery thereof; such delivery to be made "as is, where is", without reimbursement or transfer of funds, and at a time to be mutually agreed upon, but not later than the dates set forth in Schedule "A" annexed hereto and made a part hereof, and to be evidenced by a delivery certificate in the form prescribed by the Government of the United States of America. From and after the delivery of said vessels, the Government of the Republic of China shall hold harmless and indemnify the Government of the United States of America, its officers, agents, servants and employees, against any and all claims, demands, losses, damages, expenses, and costs, regardless of the nature thereof, of every kind and character, whether arising out of contract or in tort, arising out of or connected with the transfer of such property or the use and operation thereof by the Government of the Republic of China.² Without limiting the generality of the foregoing, the Government of the Republic of China shall hold harmless and indemnify the Government of the United States of America, its officers, agents, servants, and employees against any and all claims, demands, expenses, damages and costs arising or growing out of the transfer to the Government of the Republic of China of Bofors 40mm guns or guns of similar type made or produced under or pursuant to an agreement dated June 21, 1941,² between the United States of America and Aktiebolaget Bofors.

ARTICLE 3. (a) At the request of the Government of the Republic of China, the Government of the United States of America will, as to any of the vessels transferred "as is, where is" at locations other than those under the control of the Government of the Republic of China, provide the necessary work, services, and materials to repair, recondition, outfit and equip said vessels within the capacity of the facilities available therefor at or near the location of such vessels, upon payment for all of the costs and expenses incurred in connection therewith. The Government of the Republic of China will promptly reimburse the Government of the United States of America for the cost thereof, as is hereinafter provided.

(b) The Government of the United States of America, at the request of the Government of the Republic of China, to the extent that such materials are available, will furnish such materials from time to time, as are deemed proper by the Government of the United States of America, for the operation and maintenance of any or all of the vessels, craft and floating drydocks transferred hereunder, on the basis of prompt reimbursement by the Gov-

² For understandings regarding art. 2, see exchange of notes, p. 821.

ernment of the Republic of China to the Government of the United States of America for the cost thereof, as is hereinafter provided.

(c) In connection with (i) the transfer of vessels, craft and floating drydocks (ii) the repairing, reconditioning, outfitting, equipping and furnishing of operational and maintenance supplies therefor, and (iii) the organization and maintenance of a Naval establishment by the Government of the Republic of China, the Government of the United States of America, to the extent deemed proper by it and consistent with security classifications, when requested by the Government of the Republic of China, will, (1) furnish plans, blueprints and documents without reimbursement, (2) furnish technical information and advice without reimbursement and (3) participate in and sign a conducted joint inventory of each vessel at the time of delivery without reimbursement.

ARTICLE 4. For the purpose of providing the funds required to meet the obligations of the Government of the Republic of China under the provisions of Article 3 hereof, it is agreed that all funds now on deposit with the Government of the United States of America for the payment of the costs and expenses of operation of lend-lease vessels under the Extension Agreement dated June 28, 1946,³ entered into by and between the Government of the United States of America and the Government of the Republic of China, and not required nor obligated for services and materials furnished by the Government of the United States of America to the Government of the Republic of China under the terms of said Agreement, shall be retained by the Government of the United States of America and held for the credit of the Government of the Republic of China against duly certified invoices issued by the Government of the United States of America from time to time for work, services, materials, and supplies furnished in accordance with Article 3 hereof, and the Government of the Republic of China agrees to make such further deposits with the Government of the United States of America to be held by said Government for payment of such invoices, as may be requested by the Government of the United States of America from time to time. Failure on the part of the Government of the Republic of China to make deposits requested by the Government of the United States of America from time to time, shall relieve the Government of the United States of America from the obligation to furnish any further work, services, materials or supplies until the deposit or deposits requested are made.

ARTICLE 5. Notwithstanding any of the provisions of this Agreement, and subject only to such extensions of time as may be granted by the Government of the United States of America, acting by and through the Secretary of the Navy, by reason of the necessity of repair, reconditioning, outfitting, equipping, supplying and training Chinese personnel in the operation thereof, the Government of the Republic of China shall remove each

³ TIAS 1746, *ante*, p. 758.

vessel and floating drydock transferred or furnished pursuant to this Agreement, from locations other than those under the control of the Government of the Republic of China, within 120 days from the date of transfer thereof. In the event of failure to remove a vessel or floating drydock from delivery location within the time so limited or within such extension thereof as may be granted by the Government of the United States of America, the Government of the Republic of China shall lose all right, title and interest in and to such vessel or floating drydock and the Government of the United States of America shall make such other disposition thereof as in its sole discretion may be deemed advisable.

ARTICLE 6. The Government of the Republic of China will not relinquish physical possession of or transfer title to any of the vessels or floating drydocks or equipment and supplies furnished under this Agreement without the written consent of the Government of the United States of America. Naval information and Naval equipment furnished under this Agreement or otherwise, of any security classification whatever, will be safeguarded in accordance with the requirements of the security classification imposed thereon by the Government of the United States of America and no disclosure by the Government of the Republic of China thereof to other governments or unauthorized persons will be made without the prior written consent of the Government of the United States of America.

ARTICLE 7. So long as this Agreement or any extension thereof shall remain in effect, the Government of the Republic of China shall not engage or accept the services of any personnel of any government other than the Government of the United States of America for duties of any nature connected with the use and operation of the vessels and other craft to be transferred pursuant to this Agreement, except by mutual agreement between the Government of the United States of America and the Government of the Republic of China.

ARTICLE 8. This Agreement shall terminate with the expiration of United States Public Law 512, 79th Congress, 2nd Session. However, if at any time the Government of the United States of America shall determine that the transfer of further vessels and craft or the furnishing of materials and assistance no longer continues to be in the public interest, such transfers shall be discontinued.

ARTICLE 9. Upon the coming into effect of this Agreement, that part of the "Agreement between the Government of the United States of America and the Government of the Republic of China under Section 3(c) of the Lend-Lease Act", dated June 28, 1946, providing for Naval assistance to China, shall be superseded by the applicable provisions of this Agreement.

ARTICLE 10. This Agreement shall come into effect on the date of its signature.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto, have signed this Agreement in the English and Chinese languages, both in dupli-

cate, at Nanking, China, this 8th day of December, 1947, corresponding to the 8th day of the 12th month of the 36th year of the Republic of China.

For the Government of the United States of America

J. LEIGHTON STUART
*Ambassador Extraordinary and Plenipotentiary
 of the United States of America
 at Nanking, China*

For the Government of the Republic of China

WANG SHIH-CHIEH
Minister of Foreign Affairs

SCHEDULE "A"

Proposed List of Vessels To Be Transferred to China

1. List of vessels transferred to China under Credit Lend-Lease to be recaptured under Lend-Lease Act and recommended for transfer to China under Public Law 512, 79th Congress, 2nd Session, and provisions of Executive Order No. 9843 ⁴ of April 25, 1947:

PR 4	LSM 433
DE 6	LSM 442
DE 47	LSM 456
PCE 867	LCI(L) 233
PCE 869	LCI(L) 631
AM 257	LCI(L) 417
AM 258	LCI(L) 418
AM 259	LCI(L) 630
AM 260	LCI(L) 632
LST 537	LCI(L) 514
LST 557	LCI(L) 517
LST 755	AG 124 (MAUMEE)
LST 1030	LCT 512
LST 993	LCT 515
LST 716	LCT 849
LST 717	LCT 892
LST 1017	LCT 1143
LST 1050	LCT 1145
LST 1075	LCT 1171
LSM 155	LCT 1213
LSM 157	AOG 42
LSM 285	AFDL 34
LSM 457	25 LCM
LSM 431	25 LCVP

2. List of vessels now earmarked and recommended for transfer to China under Public Law 512, 79th Congress, 2nd Session, and provisions of Executive Order No. 9843 of April 25, 1947:

⁴ 12 Fed. Reg. 2763.

DE 102	Green Cove Springs	PC 1549	Philippines
DE 103	Green Cove Springs	PGM 20	Philippines
DE 104	Green Cove Springs	PGM 26	Philippines
DE 112	Green Cove Springs	PGM 12	Philippines
AM 266	Philippines	PGM 13	Philippines
AM 273	Philippines	PGM 14	Philippines
AM 276	Philippines	PGM 15	Philippines
AM 246	Philippines	SC 518	Philippines
AM 274	Philippines	SC 637	Philippines
AM 286	Philippines	SC 648	Philippines
AM 287	Philippines	SC 698	Philippines
AM 216	Philippines	SC 703	Philippines
YMS 339	Philippines	SC 704	Philippines
YMS 346	Philippines	SC 708	Philippines
YMS 367	Philippines	SC 722	Philippines
YMS 2017	Philippines	SC 723	Philippines
PC 490	Philippines	SC 735	Philippines
PC 492	Philippines	AGS 9	(Armistead Rust) Philippines
PC 593	Philippines	AOG 22	(Wautauga) Philippines
PC 595	Philippines	AFDL (c) 36	Guam
PC 1247	Philippines	ARL 41	New Orleans

3. Limiting date for transfer: (a) vessels at Green Cove Springs, 31 December 1948; (b) other vessels, 1 July 1948.

4. Schedule of transfer of above vessels to be made by mutual agreement between the Government of the United States of America and the Government of the Republic of China. All vessels to be transferred prior to limiting dates stated in 3 above.

J. LEIGHTON STUART
WANG SHIH-CHIEH

EXCHANGE OF NOTES

The American Ambassador to the Minister of Foreign Affairs

No. 1302

AMERICAN EMBASSY
Nanking, December 8, 1947

EXCELLENCY:

I have the honor to refer to the "Agreement between the Government of the United States of America and the Government of the Republic of China concerning the Transfer of Naval Vessels and Equipment pursuant to United States Public Law 512—79th Congress of the United States of America" signed today and, in particular, to that sentence in Article 2 of the Agreement which reads "From and after the delivery of said vessels, the Government of the Republic of China shall hold harmless and indemnify the Government of the United States of America, its officers, agents, servants and employees, against any and all claims, demands, losses, damages, expenses, and costs, regardless of the nature thereof, of every kind and character, whether arising out of contract or in tort, arising out of or connected with the transfer of

such property or the use and operation thereof by the Government of the Republic of China." It is understood that the claims, demands, losses, damages, expenses, and costs, regardless of the nature thereof, of every kind and character, whether arising out of contract or in tort for which the Chinese Government assumes full responsibility, are limited to those which arise from and after the delivery of the vessels and out of or connected with the transfer of the property or the use and operation of it by the Republic of China.

With reference to the concluding sentence of Article 2 of the Agreement, I am authorized to inform Your Excellency that the possible claim of the Aktiebolaget Bofors which may arise out of the transfer to the Government of the Republic of China of Bofors guns is the only claim of this nature of which the United States Navy Department is aware.

Please accept, Excellency, the renewed assurances of my highest consideration.

J. LEIGHTON STUART

His Excellency
Dr. WANG SHIH-CHIEH,
Minister for Foreign Affairs,
Ministry of Foreign Affairs,
Nanking.

The Minister of Foreign Affairs to the American Ambassador

THE MINISTRY OF FOREIGN AFFAIRS
REPUBLIC OF CHINA

DECEMBER 8, 1947

EXCELLENCY:

I have the honor to acknowledge the receipt of your note of today's date, which reads as follows:

[For text of U.S. note, see above.]

I take pleasure in confirming that the understanding expressed in the above quoted note is agreeable to the Chinese Government.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

WANG SHIH-CHIEH

His Excellency,
Dr. J. LEIGHTON STUART,
American Ambassador,
Nanking.